



# **Utility Allowance**

December 12, 2013

# Utility Allowance Initiative

- Effective April 1<sup>st</sup>, 2014, DHCD will provide utility allowances for tenant paid heat only.
- DHCD will use one UA table for heat. There will be no distinction for geographical areas, building types or fuel types.
- Utility allowances for any other tenant paid utilities, other than heat, will NOT be provided, except in cases of approved reasonable accommodations.
- DHCD will apply the lower of the unit size or voucher size to calculate the utility allowance.

# MTW UA Policy: Intended Impacts

- Simplify and streamline processes related to application and calculation of UAs;
- Decrease administrative and rent calculation errors; and
- Reduce HAP expenditures



# MTW Utility Allowance Policy Programs Affected



## Which Programs are Affected by the MTW UA Policies?

- Generally, MTW UA policies will be applied to households with MTW vouchers.
- Households whose vouchers are administered by DHCD under portability **ARE** subject to the MTW UA policies.

## MTW UA Policies Apply to:

- Designated Housing
- Enhanced Vouchers (awarded after 12/1/13)
- FSS Participants
- FUP
- Greater Plymouth Area Supportive Housing
- Housing Options program
- Little MTW (FES: Family Economic Stability)
- Port Ins
- Project Based (with new HAP Contract exceptions)
- Raising the Next Generation
- Tenant Based
- Section 221 Project
- Section 236 Project
- Section 515 Project for rural housing

## MTW UA Policies Do NOT Apply To:

- Existing Enhanced Vouchers (awarded prior to 12/1/13) until they come up for regular reexamination.
- Mainstream 5
- Port Outs
- VASH

# New Admissions

- New UA policies will be applied to New Admissions whose vouchers have been issued on or after 12/1/2013.
  - Use voucher issuance date and NOT lease effective date to determine whether new UA policies will be applied.



# Project-Based Contracts

- New UA policies will be applied to Project Based contracts awarded 12/1/2013 and after.

# RADs

- Units that have been converted under RAD (Rental Assistance Demonstration) may be either PB units or Enhanced Vouchers (EV).
- UA policies must be applied according to the applicable program rules.

# Utility Allowance Initiative Policies



# Utility Allowances

Current Policy	New Policy
<p>DHCD will provide utility allowances for the following tenant paid utilities:</p> <ul style="list-style-type: none"><li>• Heat</li><li>• Electricity</li><li>• Hot Water Heating</li><li>• Cooking</li><li>• Water</li><li>• Sewer</li><li>• Trash Collection</li><li>• Stove</li><li>• Refrigerator</li><li>• Gas Charge</li></ul>	<p>DHCD will provide utility allowances for the following tenant paid utilities:</p> <ul style="list-style-type: none"><li>• Heat</li><li>• DHCD will use the Department of Energy's (DOE) residential energy consumption (REC) survey data to determine the UA for households with approved reasonable accommodations.</li></ul>

## New UA Schedule

	Smaller of Unit Size or Voucher Size							
	0 BR	1 BR	2 BR	3BR	4 BR	5 BR	6 BR	7 BR
Heat UA	\$50	\$82	\$113	\$141	\$168	\$213	\$258	\$303

- The utility allowance that is applied is the smaller of the unit size or voucher size.

# Calculating the UA

Current Policy	New Policy
<ul style="list-style-type: none"><li>DHCD will use the unit size to calculate the utility allowance</li></ul>	<ul style="list-style-type: none"><li>DHCD will use the smaller of the unit size or voucher size to calculate the utility allowance.</li></ul>
<ul style="list-style-type: none"><li>For PB households, the PHA will apply the utility allowance for the unit size.</li></ul>	<ul style="list-style-type: none"><li>No Change</li></ul>

# Reasonable Accommodation

Current Policy	New Policy
<ul style="list-style-type: none"><li>The family must request the higher allowance and provide the PHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required</li></ul>	<ul style="list-style-type: none"><li>The PHA may approve an additional utility allowance if an additional utility allowance is needed as a reasonable accommodation for a family member with a disability.</li><li>The family must request an additional allowance and provide the PHA with an explanation of the need for the reasonable accommodation.</li><li>The PHA will use the Department of Energy's (DOE) residential energy consumption (REC) survey data to determine the additional allowance for approved reasonable accommodations.</li></ul>

# Impact on Families





# Impacts of MTW UA Policy

- Percentage of households with:
  - No change in tenant rent to owner = **26%**
  - Decrease in tenant rent to owner = **4%**
  - Increase in tenant rent to owner, less than \$100 = **61%**
  - Increase in tenant rent to owner, greater than \$100 = **9%**
- Average increase in tenant rent to owner, all households = **\$60**

# Hardship Effective Date

- Families who have an increase in family share of rent to owner of \$100 or more will receive an additional 90 days before the MTW UA policy takes effect.
- The effective date for application of the MTW UA policies for these households will be **July 1<sup>st</sup>, 2014.**



# Project-Based Effective Date

- Generally, households living in PB developments will be subject to the April 1, 2014 or July 1, 2014 effective date.
- Affected families will be notified 60 days in advance of the rent change.
- Families whose rent share will go up \$100 or more as a result of the new UA policies will receive an additional 90 days prior to implementation of the new UA policy, and will receive 90 days notice of the rent change.

# Reasonable Accommodation



# Reasonable Accommodation

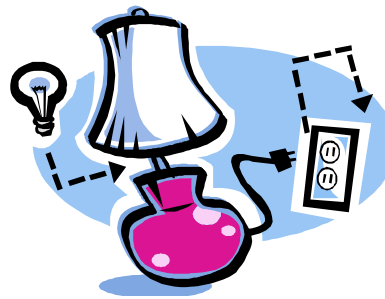
- RAAs may approve an additional utility allowance if an additional utility allowance is needed as a reasonable accommodation for a family member with a disability.
- For example, if a family member with a disability requires such an accommodation, the PHA will approve an allowance for air-conditioning, even if the PHA has determined that an allowance for air-conditioning generally is not needed.

# Reasonable Accommodation

- The family must request an additional allowance and provide the RAA with an explanation of the need for the reasonable accommodation.
- DHCD will use the Department of Energy's (DOE) residential energy consumption (REC) survey data to determine the additional allowance.
- DHCD will develop a UA schedule based on the DOE's REC data and will provide the schedule to RAAs upon completion.

# Reasonable Accommodation Request

- In order to request a reasonable accommodation for an additional UA, the family must be responsible for the utility payment for which it is requesting the accommodation.
- For example, the family may request an additional UA for electricity only if the household is responsible for the payment of electricity.



## Reasonable Accommodation Verification & Approval

- Approval of the need for an additional utility allowance must be verified by an individual identified by the family who is competent to make this determination such as a doctor, medical professional and/or non-medical service agency.

